



IMPACT OF CUSTOMER KNOWLEDGE MANAGEMENT ON CUSTOMER LOYALTY IN SHANGHAI HOSPITALITY INDUSTRY

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Information of Article	ABSTRACT
<i>Article history:</i> Received: 2 Sep 2020 Revised: 5 Sep 2020 Accepted: 25 Sep 2020 Available online: 28 Sep 2020 <i>Keywords:</i> Customer-Knowledge Management Customer Loyalty Shanghai hospitality industry	Purpose: This paper explores the impact of customer knowledge management dimensions (knowledge from the customer perspective, knowledge about the customer, and knowledge for the customer) on customer loyalty in the Shanghai hospitality industry. Design/ Method/ Approach: This study follows the quantitative approach, which relies on collecting numerical data; within this approach, two types of data treated, and the primary and secondary data. This study relies on collecting primary data. It is a non-experimental design, cross-sectional and correlational research. The independent variables are not manipulated, cross-sectional, because data will be collected at a single moment and correlational. It aims to determine the relationship among the model construct that customer knowledge management and customer loyalty. Findings: The findings of the study indicated that the regression test showed that all variables (knowledge from the customer perspective, knowledge about the customer, and knowledge for the customer) have significant values less than 0.05 (0.003, 0.001, and 0.000, respectively), which means that these three variables influence the customer loyalty in the regression model.

1. Introduction

Customer Knowledge (CK) is an important asset, and gathering, managing, and sharing customer knowledge can be a valuable competitive activity for organizations. With an emphasis on experience as a significant competitive factor in the global economy, companies may overlook the main element (CK). By involving customers in the processes of the company, Customer Knowledge Management (CKM) connects the external environment to the internal environment and transfers and shares information not only between customers and within the company but also between customers and companies. To achieve a sustainable competitive advantage compared to competitors, it is not only a constant observation of customer perceptions and expectations of the product or service delivered but also essential to continue to interact with customers to exploit and apply their tacit knowledge. Therefore, successful knowledge partnerships with necessary and valuable customers can strengthen business performance and create an inimitable competitive advantage that is difficult for competitors to emulate.

In managing CK, companies often experience significant obstacles or constraints so that sometimes many companies are prevented from managing CK. One barrier to implementing CKM is that many companies apply it with the wrong mindset. Many companies misinterpret CKM in their business activities, wrongly thinking when they have believed that CKM is a tool to increase CK. Another challenge or obstacle is dependence on knowledge from the perspectives of consumers. Many companies are too focused and rely on expertise from consumers without taking any action to process that knowledge. The fact that consumers have limited knowledge about specific industries in managing CK; each company must adapt to the state of consumers and not equalize the desires of consumers.

The CKM concept is not new. As early as 1954, Peter Drucker, known as the most significant management philosopher of the 20th century, wrote that the tangible business of any company is to create and maintain its customers. Furthermore, it has been stated that quality of service is the habit developed and practiced by an organization to interpret the needs and expectations of its clients and offer them timely, accessible, adequate, agile, flexible, useful, safe, reliable, and appreciable service. Maintaining knowledge with customers leads to ensuring the profitabilities of companies and positioning themselves strategically in the market. The term personalization stands out as the current trend, and its objective is to give each customer the impression of being unique. Reaching a segmentation logic taken to the extreme, where the seller must react like the beloved winemaker on the corner, who called us by name, asked us about the family, and who, upon learning about our customs and behaviors, proposed products adapted to our profiles. Within this framework, it can affirm that the CKM has been monopolizing the attention of companies that seek to adjust to the new approach that is being managed concerning customers, seeing its positive impact when it is well implemented. Hence, Castagna et al. (2020) affirm that today the CKM went from managing the client to managing it. The main objective of this study is to explore the impact of CKM dimensions (knowledge from the perspective of the customer, knowledge about the customer, knowledge for the customer) on customer loyalty in the Shanghai hospitality industry.

2. Literature Review

2.1 Theoretical Framework

Customer Knowledge (CK) can be defined as the process of future needs and preferences through interaction, observation, and analysis of their demand and purchase behavior. In general, there are three components of customer-based knowledge, namely: knowledge from the perspective of customers, knowledge about customers, and knowledge for customers. The three types of customer-related knowledge are shown in figure 1.

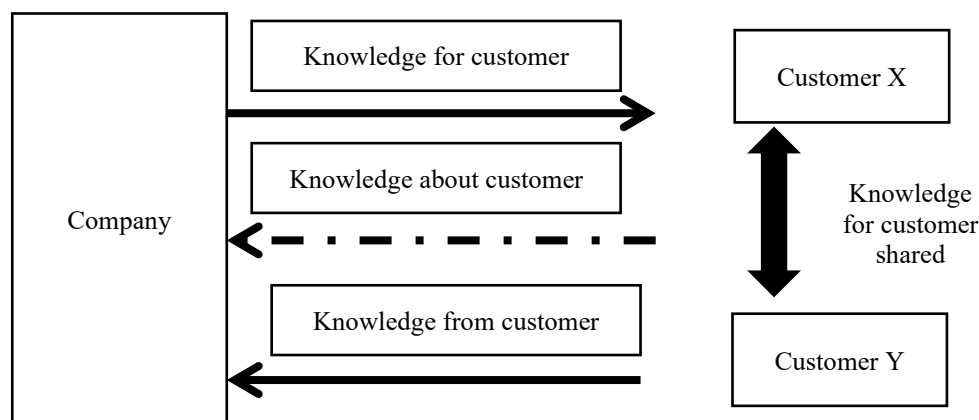


Figure 1: Customer knowledge management

Knowledge for customers is the knowledge provided by the organization to its customers. In other words, this definition refers to the CKM strategy used by organizations to manage the flow of knowledge from the organization to the customer. Knowledge of customer definitions is, thus, the background of the customer, motivation, expectations, and preferences for the product or service. The needs, desires, tastes, and trends of customers in the past, present, and future. Information regarding customer purchases, payments, motivation, habits, and request patterns. In this type of customer contact, companies can obtain such knowledge from websites, search portals, surveys, or product catalogs in analyzing and exploring the needs of potential customers. Most often, this type of knowledge is associated with the design, development, and improvement of products and services. Knowledge from customer definition is the acquisition of knowledge from customers' perspectives for product and service improvement. Information or knowledge that customers share with companies through their feedback. The customer is a strategic opportunity to learn because of the knowledge the company has by the customer for customer knowledge. Understanding what users know, what they need is an important role. Feedback from customers helps companies continuously develop products and services, determine market segments more effectively, build the right business strategies, and create new products and innovative services.

2.2 The Organizational Behavior Theory

The theory of organizational behavior is related to the way of life of all the people who collaborate in a given industry (Buchanan & Huczynski, 2019). Regardless of the position that employee occupies in the company, whether as a manager or maybe a cleaning worker, the people must act alone or group. As subjects, they have responsibilities and are qualified to carry out their work role as accurately as possible since they are trained to solve the problems or conflicts that may arise in the company. The human being is very responsible for the work and will try to execute it as correctly as possible since these people know that they depend on their work to lead a dignified life. Therefore the behavior that the collaborators of the organizations have made the company remains at a high level and becomes the most successful in the world at the business level (Feng, Morgan, & Rego, 2017).

Each company is organized according to the way they decide to be, and they will have many collaborators, they will have or execute various positions in the organization such as the lowest level to the highest, each of them either in a group or alone, it contributes something important to the organization, which will lead the company to success. These theories will be applied in the thesis as a guide of acceptable practices of values to understand and value more the collaborators that the company has since without them, it would not get anywhere, and the company would have to close or define itself in bankruptcy (Pucci, Nosi, & Zanni, 2017). It rotates since the personnel for the company are its human capital, and most importantly, its human resource that the company has is like its treasure because each manager knows that without them, the company will not go so far. Organizational behavior is a field of study in which the impact that individuals, groups, and structures have on behavior within organizations is investigated, to apply this knowledge to improve the effectiveness of such organizations (Soda & Furlotti, 2017).

Organizational behavior is a field of study. This statement means that it is a delimited specialty and with a standard set of knowledge. It investigates three elements of behavior in organizations: individuals, groups, and structure (Aithal & Kumar, 2016). Furthermore, organizational behavior applies the knowledge gained about individuals, groups, and

organizational structure. Similarly, organizational behavior involves the knowledge gained about individuals, groups, and the effect of organizational structure on behavior, for organizations to function better (David J Teece, 2016a). Most humans are born and die in one or more organizations; they are educated and work in these organizations. Hence, it can be defined that the organization is a consciously coordinated social unit, made up of people, and that works based on relative continuity to reach its established goals. But for an organization to exist, the set of people is not enough; it is not even enough that they all have a common purpose (King & Lawley, 2016). What is decisive is that these people organize or coordinate their activities, ordering joint action towards the achievement of results that, even if for different reasons, they all consider that they are interested in achieving. Organizational theory is not a set of facts; it is a way of thinking about organizations. Organizational theory is a way of seeing and analyzing organizations with greater precision and depth than in any other way (Amado & Amato, 2018). The form of seeing and thinking in organizations is based on the patterns and regularities of organizational design and behavior. Organizational design research ideas can help managers increase organizational efficiency and effectiveness and strengthen the quality of organizational life.

2.3 Customer Knowledge management

Management as a business method has been a practice that has existed in the economy for many years. In the industrial era, organizations focused their management methods on tangible assets. In the knowledge society, the paradigm took a turn; thus, the managed content moved from the physical to the intangible. Knowledge management, as a business practice, has a little chronological history. However, (Ul Akram et al. (2019) manifests the importance of this methodology since it was considered an instrument to manage organizations belonging to the information society and that consider knowledge as a vital strategic asset. In the first instance, the cited author highlights that the theoretical foundations of knowledge management have their beginnings more than fifty years ago; however, its engagement in the business environment is around 1985.

The most significant references of this branch of administration that have contributed to its evolution in recent years are (Peter Drucker 1939) and (Paul Strassmann 1983), who emphasize this theory on the importance of explicit knowledge and information as organizational resources. Salanova, Agut, and Peiró (2005) gave a cultural emphasis on knowledge management when he created the Learning Organizations Model to understand the notable influence of management of knowledge in current organizations.

It is convenient to define precisely the term management that is the process of planning, directing, organizing, and controlling the activities in the company as a whole and each of its different functional areas to achieve the established objectives. It is clear that the primary purpose of managing is to increase the profitability of resources with a view to achieving the goals set at the beginning of the operational cycle; For this task to be entirely generated, it is necessary for there to be a process in which the company plans, controls and evaluates whether said results go according to budget.

Human capital within organizations has become more relevant in recent years because the contributions made by this department within companies allow generating added value and competitive power in the market. Consequently, knowledge management, considered by Kendrick, Bartram, Cavanagh, and Burgess (2019) as the art of creating value in the intangible assets of an organization, has become an indispensable managerial tool when it comes to efficiently managing knowledge and processes derived from them. In this way and consideration of the proposed model, knowledge management is a mechanism with which the efficiency and effectiveness of the functional areas of organizations can be increased by operating as the communicator within them (and from outside), allowing the development of dynamic capacities and the consequent generation of value represented in people who possess knowledge, intelligence, creativity, and wisdom based on organizational interests

Knowledge management consists of two words, namely management and knowledge. The definition of management is the effective use of resources to achieve goals. According to v. Alberti-Alhtaybat, et al. (2019), the definition of management is a unique and distinctive process consisting of planning, organizing, and mobilizing, and controlling what is done to determine the direction and achieve the goals that have been determined through the use of human resources and other resources. Meanwhile, according to Ul Akram et al. (2019), management is the process of planning, organizing, coordinating, and controlling every available resource to achieve the goals or targets that have been determined effectively and efficiently. Effective means that goals can be achieved in accordance with existing plans and efficient means implemented correctly and organized according to a predetermined schedule. So, it can be simplified; management is a way to plan, gather, and organize, lead, and control resources for a purpose. The definition of knowledge is facts, information, and skills acquired through experience or education, theoretical or practical understanding of a subject. The definition of knowledge in the context of knowledge management is the overall cognition and skills used by humans to solve problems. Knowledge can also be defined as the capacity to act effectively. Sources of knowledge can come from books, newspapers, people, and various things.

Knowledge Management (KM) is creating, sharing, using, and managing knowledge and information from an organization. Knowledge Management (KM) refers to a multi-disciplinary approach to achieving organizational goals by making the best use of knowledge. KM focuses on acquiring, creating, and sharing knowledge and the cultural and technical foundations that support it. Therefore, it can be simplified; knowledge management is a series of activities used by organizations or companies to identify, create, explain, and distribute knowledge to be reused, known, and studied in organizations. These activities are usually related to organizational goals and are intended to achieve specific outcomes

such as shared knowledge, improved performance, competitive advantage, or a higher level of innovation. The concept of knowledge management includes human resource management and information technology (IT) in its goal of achieving a better company organization so that it can win the business competition. The development of information technology does play an essential role in the concept of knowledge management. The mastery of information technology will color almost all activities of human life, so when talking about knowledge management, it cannot be separated from management. Knowledge management is the process of planning, collecting and organizing, leading, and controlling data and information that has been combined with various forms of thought and analysis from various competent sources.

CKM is called a strategic practice in progressive companies to gain the ability to transform their customers from recipients of passive products and services into active knowledge-oriented partners (Sofianti et al. 2010).

CKM is about acquiring, sharing, and expanding existing knowledge in customers who contribute to the well-being of customers and the company. CKM is described as an ongoing process to produce, disseminate, and use customer knowledge within an organization and between the organization and its customers. CKM in connection with the acquisition of customer knowledge is shared and developed to get benefits between customers and the organization. Customer knowledge management, which enables organizations, is more likely to identify opportunities that arise in the market and increase their competitive advantage.

2.4 Customer Loyalty

Loyalty is a marketing concept that makes it possible for the loyalty of a customer to existing towards a designated brand, product, or service towards a customer who continuously buys a product from a specific company. A loyalty strategy must contain the three “Cs,” capture, convince, and preserve, which focuses on attracting customers to give them good quality service from the company and consumers. Loyalty is a strategy that is mainly used in companies that have direct contact with the person who is their direct consumers who purchase company service or product. Many times companies dedicated to providing service forget about this step, which is very important for preservation their clients is because most of them are not successful in the business world. The retention of customers is carried out for the improvement and success of the company and that they later become a fundamental piece for the industry, since the product or service that the company provides is very attractive to the customers. Loyalty is based on the speed to establish friendly ties from person to industry; it is known and demonstrated on several occasions that the strategy of retaining clients involves creating strong friendship ties with clients.

NODEHI and AZAM (2014) examined the impact of customer knowledge management on customer loyalty in the banking industry in Iran. The finding of the study confirmed a significant and positive effect of CKM on customer loyalty. As the firm gain more knowledge about the customer, the firm works to enhance its marketing strategy, which leads to retaining them in the long-term.

Fidel, Schlesinger, and Cervera (2015) investigated the impact of customer knowledge management on the performance of 210 Spanish companies; customer loyalty was considered as one of the performance indicators. The finding confirms a significant and positive impact of customer knowledge management on customer loyalty. Attracting people to the company so that they consume the products is very important and, at the same time a little difficult for entrepreneurs, for which these companies carry out retention strategies to prevent customers from going elsewhere. In order to retain a client, it is essential to be successful with the first contact with a client so that later the retention of clients is successful and long-lasting. The company has an immense capacity to attract and retain new customers by doing things well; always looking for customers to be satisfied. Most of this is going to have to be done with the use of CKM to attract consumers. The strategies will provide the company with enough help to know how to relate the product to a service. This relationship will result in the demand for the product by customers who will want to purchase the product each time. Knowing how to care for and protect the consumers from the competition is quite a challenge, but this will ultimately bring many benefits to the company and, therefore to the entrepreneurs. Within the customer retention process, it is understood that there is a strengthening of the trust that is given to the customers of the company as a first step to satisfy consumers and therefore achieve their loyalty to the company and their product.

According to Garcia-Murillo and Annabi (2002) nowadays, consumers have a high standard of quality of consumption of products since they take good care of the diseases that exist, which is why they are very demanding. They like that when they visit the premises. That this is clean and that they are served well, and with great courtesy and kindness, for companies, it is increasingly difficult to please them, but they know that without their consumers, the company would not grow. Having clients is the most essential and precious value of any company or business. Without a customer, there is nothing there would be no reason for companies to exist. If we have customers and even better if they were loyal customers to the product or the company, everything would be fine, and companies would never feel the lack of customers. Based on the above arguments, the following framework and hypotheses were developed:

2.5 Conceptual Framework and Hypotheses

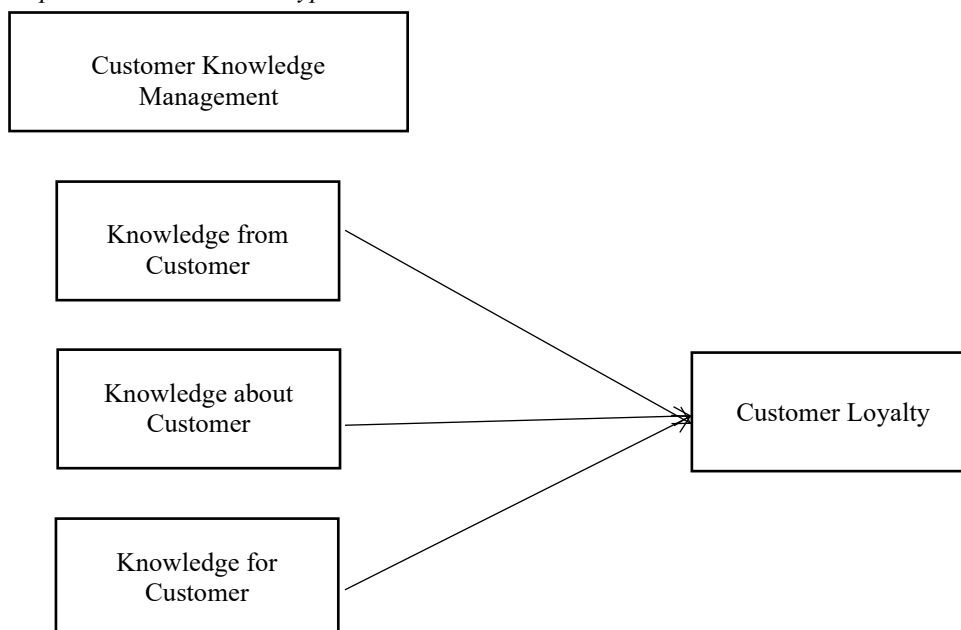


Figure 2: Conceptual Framework

Based on the above conceptual framework, the study proposes the following hypotheses:

- H1: There is a positive and significant relationship between knowledge from customer and customer loyalty in Shanghai hospitality industry.
- H2: There is a positive and significant relationship between knowledge about customer and customer loyalty in Shanghai hospitality industry.
- H3: There is a positive and significant relationship between knowledge for customer and customer loyalty in Shanghai hospitality industry.

3. Methodology

This study follows the quantitative approach, which relies on collecting numerical data. Within this approach, two types of data are treated, and the primary data and secondary data. This study relies on collecting preliminary data. It is a non-experimental design, cross-sectional and correlational research. The independent variables are not manipulated, cross-sectional, because data will be collected at a single moment and correlational, aiming to determine the relationship among the model construct that customer knowledge management and customer loyalty.

According to Garg (2016), the population is designated the set of elements that have common characteristics. The population object of this study is presented by the current customers of the hospitality industry in Shanghai. The unit analysis of this study is an individual who holds a valid of any loyalty membership program with any hospitality unit operates in the Shanghai region. The sample size used in this study was 262.

The instrument used in this study is the questionnaire to collect the data from the study participants. The collected data were edited and coded and then entered into a famous software program for the analysis purpose. SPSS is a favorite statistical program that is used in this study to analyze the collected data. The analysis included the demographic backgrounds, reliability test, normality test, multicollinearity, descriptive statistics, correlation test, and regression test.

4. Data Analysis and Results

Several tests were conducted for the analysis purpose. The analysis was divided into two sections, the first section is validating the collected data, and the second section is for the investigation of this study. The First section included tests such as demographic background, reliability, normality test, and multicollinearity test. The second section contained the descriptive statistics analysis, correlation test, and regression test

4.1 Demographic Background

Respondents were asked to choose from their gender type. According to the following table 4.1, the gender test had two categories: male and female. The male respondents were 107 out of the 262 respondents, while the female respondents were 155 out of the 262 respondents. The results confirm that the female respondents were more than the males.

Respondents were asked to choose from the most appropriate range that included their current age. According to the following table 4.3, the age test had four ranges of ages: from 18 to 25 years old, from 26 to 35 years old, from 36 to 45 years old, and 46 years old and above. The 18 to 25 years old respondents were 117, with 44.7%. The 26 to 35 years old respondents were 104, with 39.7%, the 36 to 45 years old respondents were 31 with 11.8%, and the 46 years old and above respondents were 10 with 3.8%. The results show that most of the respondents were under the age category of 18 of 35 years old, which means that the majority of respondents were youths.

For the education level, the following table 4.1 shows that the educational levels test had three types of qualifications, which are diploma, bachelor, and master. The respondents who had diploma qualifications were 79 with 30.2%. The respondents who had bachelor qualifications were 162, with 61.8%. The respondents who had master qualifications were 21 with 8.0%. It appears that the majority of the respondents were well educated, holding bachelor qualifications.

Finally, the following table 4.1 reveals that the income test had four ranges of income: \$1 to \$500, \$501 to \$1000, \$1001 to \$1500, and above \$1501. The respondents with income from \$1 to \$500 were 88 with 33.6%. The respondents with an annual income ranging from \$501 to \$1000 were 77, with 29.4%. The respondents with a yearly income ranging from \$1001 to \$1500 were 59 with 22.5%. The respondents ranging from above \$1501 in income were 38 with 14.5%. As shown in the table, the income ratios were close to all groups.

Table 1: Demographic Background

Gender	Frequency	%	Education Level	Frequency	%
Male	107	40.8	Diploma	79	30.2
Female	155	59.2	Bachelor	162	61.8
			Master	21	8.0
Age	Income				
18-25 years old	117	44.7	\$1-\$500	88	33.6
26 - 35 years old	104	39.7	\$501-\$1000	77	29.4
36 - 45 years old	31	11.8	\$1001-\$1500	59	22.5
Above 46 years old	10	3.8	Above \$1501	38	14.5

4.2 Reliability Test

To identify if items of the questionnaire were understandable for the respondents, the reliability test was applied. The reliability test was applied to all the study's variables. The Cronbach alpha value was used for identifying the reliability of each variable. The Accepted Cronbach alpha value was 0.7 and above. There was great internal consistency among variables (knowledge from the customer, knowledge about the customer, knowledge for the customer, and customer loyalty) items with the Cronbach alpha equal to 0.887, 0.791, 0.800, and 0.896, respectively.

Table 2: Reliability test

Variable	Items	Cronbach Alpha
Knowledge from Customer	4	0.887
Knowledge about Customer	7	0.791
Knowledge for Customer	4	0.800
Customer Loyalty	3	0.896

4.3 Normality Test

According to Hair et al. (2006), normality is the shape of the data distribution of the individual metric valuable along with its correspondence to the normal distribution. The Non-normality of data can be detected in several ways. For instance, Hair et al. (2006) demonstrated the univariate normality (variables normality) through Skewness and Kurtosis. Skewness depicts the irregularity of distribution, e.g., a variable whose mean is not in the center of the distribution, while kurtosis characterizes the peakedness of a distribution. A normal distribution happens when the value of its Skewness and its kurtosis are both equal to zero (Tabachnick & Fidell, 2001). According to Hair et al. (2006), if the Skewness of the distribution falls outside of the range of -1 to +1, then it is substantially skewed. Kurtosis, on the other hand, is the measure of the peakedness or flatness of distribution, and like Skewness, it is clarified by comparing it with a normal distribution.

The used values in this test are the Skewness and the Kurtosis statistics. This test ensures that all the variables (knowledge from the customer, knowledge about the customer, knowledge for the customer, and customer loyalty) have got an

acceptable range for the Skewness values, which were ranged between -1.600 and -0.207. The variables also have got and acceptable; Kurtosis values ranged between -1.375 and 3.107. This result means that the data is normal. The following table 3 shows these results.

Table 3: Results of Skewness and Kurtosis for Normality Test

Constructs	Skewness	Kurtosis Statistic
Knowledge from Customer	-1.398	3.107
Knowledge about Customer	-1.600	2.006
Knowledge for Customer	-1.472	2.552
Customer Loyalty	-.207	-1.375

4.4 Multicollinearity Test

To assess the level of multicollinearity, Variance Inflation Factor (VIF) and tolerance are both widely used measures of the degree of multicollinearity (O'brien, 2007). The tolerance represents the amount of variance of one construct' indicator not explained by the other indicators in the same block. Hair et al. (2006) also recommended that the value of the variance inflation factor (VIF) should be less than 5, and the tolerance effect for both of them is greater than 0.1. Table 4 shows multicollinearity diagnostic, indicating no evidence of significant multicollinearity among the research predictor variables. All tolerance values are above 0.2 and ranged from 0.321 to 0.746, and all VIF values are below five and ranged from 1.341 to 3.118. It means that the variance of the predictor variables (knowledge from the customer, knowledge about customer, and knowledge for the customer) explain in the dependent variable (customer loyalty) are not overlapping with each other.

Table 4: Test for Multicollinearity on Assessment of Tolerance and VIF Values

Constructs	Tolerance	VIF
Knowledge from Customer	0.321	3.118
Knowledge about Customer	0.349	2.869
Knowledge for Customer	0.746	1.341

4.5 Descriptive Statistics Analysis

The mean and standard deviation (S.D) of the measurement scales were calculated. This study used a five-point Likert scale ranging from "1" strongly disagree to "5" strongly agree. The main goal of the study is to explore the gauge of customer loyalty among employees and managers of the hospitality sector in Shanghai at all levels (upper-middle-lower). Table 5 shows that the highest mean was knowledge from the customer (KFRC) with 3.9237 out of a maximum 5, making up 78%, and also knowledge about the customer (KAC) at 3.9204, making up 78%. Also, the variables knowledge for the customer (KFOC) and customer loyalty (CL) were similarities mean between 3.8979 and 3.6514 (more than 3), which is making up more than 72%. Besides, the standard deviations (S.D) for all variables range from 0.67405 to 1.06603, which reflects the existence of considerable acceptable variability within the data set. Table 5 presents descriptive statistics for all variables.

Table 5: Descriptive Statistics for Study Variables

	N	Minimum	Maximum	Mean	Std. Deviation
KFRC	262	1.00	5.00	3.9237	.81907
KAC	262	1.00	5.00	3.9204	.67405
KFOC	262	1.00	5.00	3.8979	.85395
CL	262	1.00	5.00	3.6514	1.06603

Key: KFRC = knowledge from customer (KFRC), KAC = knowledge about customer (KFRC), KFOC = knowledge for customer (KFRC), and CL = customer loyalty.

4.6 Correlation Test

A correlation test is used to find out the type of relationship between two variables or more, for the current study. The correlation test was used to identify the correlation between the independent variables and the dependent variable. The findings of this test indicated that the highest correlation was between knowledge about the customer (KAC) and customer loyalty (CL) with 0.108 and a p-value of 0.000, followed by the relationship between knowledge for the customer (KFOC) and customer loyalty (CL) with 0.063, and the p-value was 0.000. On the other hand, the lowest correlation among these relationships was the relationship between knowledge from the customer (KFRC) and customer loyalty (CL) with 0.026,

and the p-value was 0.000. The results of the correlation matrix show that the values of correlation were less than 0.110 and ranged between 0.026 and 0.108. Table 6 below presents the correlation matrix between the latent variables.

Table 6: Correlations test

Independent variables		Customer Loyalty
Knowledge from Customer	Pearson Correlation	0.026**
	Sig. (2-tailed)	.000
Knowledge about Customer	Pearson Correlation	0.108**
	Sig. (2-tailed)	.000
Knowledge for Customer	Pearson Correlation	0.068**
	Sig. (2-tailed)	.000

4.7 Regression Test

The regression test is used to define the future role of the independent variables on the dependent variable. In other words, it is meant to predict the impact of the independent variables on the dependent variable. The regression showed that all variables (knowledge from the customer, knowledge about the customer, and knowledge for the customer) have significant values less than 0.05 (0.003, 0.001, and 0.000, respectively), which means that these three variables influence customer loyalty in the regression model.

Table 7: Regression test for the dependent variable

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.537	.232		-2.311	.023
Knowledge from Customer	.149	.076	.179	1.967	.003
Knowledge about Customer	.335	.099	.349	3.403	.001
Knowledge for Customer	.218	.053	.241	4.113	.000

5. Discussion

This study has performed several tests to ensure that the collected data are reliable and valid for the task. The study identifies the relationships between the independent variables and the dependent variable. The tests used in this study are the demographic background, normality test, multicollinearity test, descriptive statistics, correlation test, and regression test. The most important results showed that the descriptive statistics showed the highest mean was knowledge from the customer (KFRC) with 3.9237 out of a maximum 5, making up 78%, and also knowledge about the customer (KAC) at 3.9204 making up 78%. Besides, the variables knowledge for the customer (KFOC) and customer loyalty (CL) were similarities mean between 3.8979 and 3.6514 (more than 3), which is making up more than 72%. Also, the standard deviations (S.D) for all variables range from 0.67405 to 1.06603, reflecting the existence of considerable acceptable variability within the data set.

The correlation test showed that the highest correlation was between knowledge about the customer (KAC) and customer loyalty (CL) with 0.108 and a p-value of 0.000, followed by the relationship between knowledge for the customer (KFOC) and customer loyalty (CL) with 0.063, and the p-value was 0.000. On the other hand, the lowest correlation among these relationships was the relationship between knowledge from the customer (KFRC) and customer loyalty (CL) with 0.026, and the p-value was 0.000. The results of the correlation matrix show that the values of correlation were less than 0.110 and ranged between 0.026 and 0.108. Table 6 below presents the correlation matrix between the latent variables.

The regression test showed that all variables (knowledge from the customer, knowledge about the customer, and knowledge for the customer) have significant values less than 0.05 (0.003, 0.001, and 0.000, respectively), which means that these three variables influence the customer loyalty in the regression model. These results are supported by the findings of the previous studies, where NODEHI and AZAM (2014) examined the impact of customer knowledge management on customer loyalty in the banking industry in Iran. The finding of the study confirmed a significant and positive effect of customer knowledge management on customer loyalty. As the firm gain more knowledge about the customer, the firm works to enhance its marketing strategy, which leads to retaining them in the long-term.

Fidel et al. (2015) investigated the impact of customer knowledge management on the performance of 210 Spanish companies; customer loyalty was considered as one of the performance indicators. The finding confirms a significant and positive impact of customer knowledge management on customer loyalty. Attracting people to the company so that they consume the products is very important and, at the same time, a little difficult for entrepreneurs, for which these companies carry out retention strategies to prevent customers from going elsewhere. To retain a client, it is essential to be successful with the first contact with a client so that later the retention of clients is successful and long-lasting. The company has an immense capacity to attract and retain new customers by doing things well, always looking for customers to be satisfied. Most of this is going to have to be done with the use of CKM to attract consumers. The strategies will provide the company with enough help to know how to relate the product to a service. This relationship will result in the demand for the product by customers who will want to purchase the product each time. Knowing how to care for and protect the consumers from the competition is quite a challenge, but this will ultimately bring many benefits to the company and, therefore, to the entrepreneurs. Within the customer retention process, it is understood that there is a strengthening of the trust that is given to the company's customers as a first step to satisfy consumers and therefore achieve their loyalty to the company and their product.

6. Conclusion

This study investigated the role of knowledge customer management on customer loyalty in the hospitality industry in Shanghai. In this study, a quantitative approach was considered suitable for the process. The results of the current study have argued the data analysis procedures, which are included in the initial and second phases of data testing. The data was investigated by univariate and multivariate analysis by testing the data for normality, multicollinearity. Besides, this paper explained the profile of the respondents. The paper also presented the profile of the sample of the study. The primary and most important findings were shown in the correlation and regression tests, which stated that the correlation test is used to find out the type of relationship between two variables or more for the current study. The correlation test was used to identify the correlation between the independent variables and the dependent variable. The findings of the study indicated that the highest correlation was between knowledge about the customer (KAC) and customer loyalty (CL) with 0.108 and a p-value of 0.000, followed by the relationship between knowledge for the customer (KFOC) and customer loyalty (CL) with 0.063, and the p-value was 0.000.

On the other hand, the lowest correlation among these relationships was the relationship between knowledge from the customer (KFRC) and customer loyalty (CL) with 0.026, and the p-value was 0.000. The results of the correlation matrix show that the values of correlation were less than 0.110 and ranged between 0.026 and 0.108. Table 6 below presents the correlation matrix between the latent variables. To sum it up, all the study hypotheses were supported by the findings of this study.

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